

VZCZCXYZ0000
OO RUEHWEB

DE RUEHAC #0333/01 1422136
ZNR UUUUU ZZH
O 212136Z MAY 08
FM AMEMBASSY ASUNCION
TO RUEHC/SECSTATE WASHDC IMMEDIATE 6927
INFO RUCNMER/MERCOSUR COLLECTIVE PRIORITY
RHMFISS/USSOCOM MACDILL AFB FL PRIORITY
RHMFISS/HQ USSOUTHCOM MIAMI FL PRIORITY

UNCLAS ASUNCION 000333

SENSITIVE
SIPDIS

STATE WHA/BSC KBEAMER

E.O. 12958: N/A
TAGS: [ECON](#) [PGOV](#) [EFIN](#) [PREL](#) [PA](#)
SUBJECT: A TEST OF LUGO'S LEADERSHIP: LAND INVASIONS

REF: ASUNCION 1449 (2004)

¶1. (SBU) SUMMARY: In the weeks since the April 20 national elections, landless peasant groups have invaded properties in the northeastern part of the country. The San Pedro Department, where President-elect Fernando Lugo served as bishop, is at the center of the issue with about 730 families invading roughly 9,300 hectares of land. Lugo assured civil society groups May 13 that his administration will work to secure land for all, and said that land invasions should only be a "last resort" when government institutions fail. Landless peasant invasions are a recurring issue; similar events transpired in 2003 and 2004 (reftel). Lugo is sympathetic to the landless' claims, but he also sends reassuring signals to the private sector about the inviolability of private property rights. The Colorados and the Liberals have publicly affirmed the sanctity of private property. Lugo needs a solution that responds to the peasants' demands without undermining private property rights. However, until August 15, the issue is squarely on President Duarte's desk. END SUMMARY.

LAND INVASIONS AND LUGO,S RESPONSE

¶2. (U) In the weeks since the April 20 national elections, landless peasant groups have invaded properties in the northeastern part of the country. The San Pedro Department, where President-elect Fernando Lugo served as bishop, is at the center of the issue with about 730 families invading roughly 9,300 hectares of land (14 different properties). Invasions have also been reported in the Departments of Itapua and Misiones (about 340 families and roughly 5,400 hectares on 6 different properties). There have been clashes during the invasions, with some sporadic violence, but no injuries or deaths have been reported. Police detained 90 persons in Itapua Department May 20 after peacefully removing them from a property they began occupying the same day.

¶3. (U) Lugo assured civil society groups May 13 that his administration will work to secure land for all, and said that land invasions should only be a "last resort" when government institutions fail. The landless peasant groups in San Pedro are mostly from the National Coordinating Council of Peasant Organizations (MCNOC). MCNOC leader Luis Arguayo sat with Lugo during the May 13 address. In his speech, Lugo did not directly condemn land invasions, but emphasized that property rights are guaranteed in the Constitution.

¶4. (U) Immediately after his return from the May 16 Ibero-American Summit in Lima, Peru, Lugo completed a three-day tour of the Department of San Pedro May 19. At the end of the tour, Lugo again addressed the groups involved in the invasions and emphasized his commitment to social

justice. Lugo recognized that there are some contradictions in his statements regarding the protection of private property and the landless' claims to land ownership. Lugo said this ambiguity is reflected in the Constitution and his task is to harmonize both principles. (NOTE: Both rights are explicit in the Constitution. END NOTE). President Duarte, in turn has been mute on the land invasions; the current Minister of Interior referred to the invasions as "Lugo's problem."

A GHOST FROM THE PAST - LAND INVASIONS IN DUARTE,S TENURE

¶15. (U) Landless peasants invasions are a recurring issue; similar events transpired in 2003 and 2004. Duarte's response in October 2003 did not directly condemn the invasions. He offered his support to the landless' claims saying that everyone should have a piece of land, and exhorted the large agribusinesses to share their wealth and land with the less fortunate, poorer rural farmers. From 2003 to 2007, the state-owned National Institute for Rural Development and Land (INDERT), formerly known as the Rural Institute (IBR), purchased and distributed 187,477 hectares throughout the country (reftel).

¶16. (U) The majority of peasants in Paraguay have small parcels of land. As described in reftel, the real issues are unemployment, poverty, a legacy of corruption and ineptitude in allocation of land, archaic agro-productions practices, a severely deficient legal system, and the lack of titles, just as was the case in 2004. An outdated and obsolete registry of land titles exacerbates the problem and limits the government's ability to implement an effective land tenure program.

¶17. (SBU) COMMENT: Lugo is sympathetic to the landless' claims, but he also sends reassuring signals to the private sector about the inviolability of private property rights. The Colorados and the Liberals have publicly affirmed the sanctity of private property. This issue could severely handicap the new administration; Lugo needs a solution that responds to the peasants' demands without undermining private property rights. However, until August 15, the issue remains squarely on President Duarte's desk. END COMMENT.

Please visit us at <http://www.state.sgov.gov/p/wha/asuncion>

Cason